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STATE OF CALIFORNIA  
ENERGY RESOURCES  
CONSERVATION AND DEVELOPMENT COMMISSION

In the Matter of:	)	Docket No. 08-AFC-8
	)	
REVISED APPLICATION FOR	)	APPLICANT'S STATUS REPORT NO. 1
CERTIFICATION	)	
FOR THE HYDROGEN ENERGY	)	
CALIFORNIA PROJECT	)	
	)	

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Pursuant to the Committee Scheduling Order issued on September 28, 2009, Applicant Hydrogen Energy International, LLC hereby files its Status Report No. 1 with respect to the Hydrogen Energy California Project ("HECA").

**Schedule**

The Revised Application for Certification ("AFC") was deemed data adequate on August 26, 2009. An Informational Hearing and Site Visit was held on September 16, 2009. At this point, the AFC process appears to be on schedule.

**Discovery**

Applicant received Staff's Data Request Set 1 on October 12, 2009, and is in the process of preparing any necessary objections and responses, both of which will be filed within prescribed time limits. Applicant received data requests from Intervener Association of Irrigated Residents on October 7, 2009, and is in the process of preparing any necessary objections and responses, both of which will be filed within prescribed time limits.

## **Technical Areas**

### *Air Quality*

- On September 30, 2009, the Applicant amended the AFC to remove the LMS100 gas turbine, reducing the turbine stack emissions to 19.8 lbs/hr (from 24) and reducing the PM2.5 emission level below 100 tons/year.
- Effective October 15, 2009, the Applicant entered into a transaction with Big West of California LLC to acquire all of the SOx emission reduction credits (“ERCs”) and nearly all of the NOx ERCs (241 tons) required for HECA. Additional information regarding these ERCs will be provided in response to the CEC Staff data requests identified above.

## **Public Outreach**

Recent public outreach undertaken by the Applicant in connection with HECA includes the following:

- Issued the first edition of HECA newsletter to over 700 project stakeholders.
- Participated in the Carbon Capture and Sequestration (“CCS”) Public Education Workshop at California State University Bakersfield on September 25, 2009, providing event planning services to the California State University Bakersfield host. This workshop is the 5<sup>th</sup> in a series and a cornerstone of the CCS Education Initiative. The workshop was widely attended by leaders across all sectors of Kern County and State-wide stakeholder groups.
- Conducted a meeting with Sierra Club and NRDC with extended HECA team in Bakersfield on Saturday, September 16, 2009 to proactively engage in an on-going dialogue with local environmental leaders, to answer questions about the project, and to begin discussion of community benefits planning.

## **Other Important Developments**

- As part of the Clean Coal Power Initiative and the American Recovery and Reinvestment Act of 2009, the Applicant and the U.S. Department of Energy (“DOE”) executed a cooperative agreement on September 28, 2009 to build and operate HECA. The project is being cost-shared by the Office of Fossil Energy, U.S. Department of Energy, and DOE’s National Energy Technology Laboratory will manage the award.

DATED: October 23, 2009

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael Carroll", is written over a solid horizontal line.

Michael J. Carroll  
LATHAM & WATKINS LLP  
Counsel to Applicant